

Feedback Form

Future Clean Electricity Fund – October 13, 2023

Generators

Feedback Provided by:

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Following the October 13, 2023 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [Future Clean Electricity Fund](#) web page.

Please submit feedback to engagement@ieso.ca by **October 27, 2023.** If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

What barriers for new electricity generation projects have you encountered in the province?

Transmission Planning

Long term transmission planning and capacity to enable clean energy projects to advance with reasonable certainty that transmission capacity will be available for clean energy projects to proceed.

Environmental Regulatory inefficiency

OPG's recent experience with major clean energy projects, including the new Peter Sutherland Sr. Hydroelectric GS, Calabogie GS Hydroelectric Redevelopment, Darlington Refurbishment Project and Darlington New Nuclear Project is that all major projects are requiring 10-15 years from planning to in-service.

Over the past 20 years, OPG has experienced a gradual ratcheting up of information expectations in environmental regulatory planning processes and an increased number of and changing environmental regulatory requirements to adhere to.

Canada/Ontario need an environmental regulatory landscape that will accelerate the buildout of new non-emitting electricity infrastructure, such as nuclear and hydroelectric.

A clean electricity sector can be built out faster with reduced lead times related to environmental regulatory inefficiencies.

The IESO should provide clear and early signals around new clean energy projects to support long-term planning and early entry into the process. This should include early funding to promising projects and initiate the planning and environmental regulatory steps.

Funding

Funding for development costs for large priority projects would assist to advance more projects to a higher level of certainty for IESO and Ministry of Energy consideration.

It would also be beneficial for large priority projects to have construction interest free loans or at below Bank of Canada rates to help these clean energy projects to be more competitive by offsetting the inherent issue that

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	<p>penalizes these projects when the IESO calculates the NPV to assess the costs of the project and impacts to ratepayers. For example, when the IESO assesses projects, such as pumped hydro or hydroelectric, since these projects have a long development and construction cycle (but low operating costs), these projects struggle against other options that have shorter development cycles but higher operating costs (batteries, etc). The funding can help offset some of these imbalances to enable other longer lead time clean technologies to be more competitive.</p> <p>The FCEF should be used to identify and accelerate specific generation projects ahead of 2032 and 2034 to maximize federal Investment Tax Credit (ITC) eligibility and to minimize impacts to ratepayers. Fundings such as ITC, Strategic Innovation Fund, low interest loans and FCEF should be made stackable (i.e., receiving one fund should not preclude a project from receiving another) to better help affordability.</p> <p>Ontario should maximize ITCs to leverage its multiplier effect.</p>

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<p>What type(s) of support from the IESO would facilitate new clean electricity project development?</p>	<p>IESO should provide detailed criteria on which projects qualify under various funding streams and details on how to apply and a description of the process. To implement the funding through the FCEF it will be important to have a well laid out process, clear instructions, and dedicated IESO contact to avoid confusion for participants. Part of this process should include a clear understanding of where a particular project is in the FCEF cycle and timing assurances of feedback from the IESO. An example unclarity is on page 10 of the presentation material discusses "Large priority projects". Criteria for this term and the process to be identified as such must be defined.</p>

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Do you have any projects under development that would benefit from the FCEF support?	<p>Examples of viable projects that support high electrification scenarios include the potential for new made-in-Ontario clean hydroelectric developments in Northern Ontario including Little Jackfish, Moose River Basin and a pocket of sites on the Upper Albany and Attawapiskat Rivers. These proposed developments drive jobs and economic growth for Northern Ontario and could bring economic opportunities to Indigenous communities.</p> <p>OPG is planning to provide a response to the Ministry of Energy in December outlining the opportunity and prioritization to develop control dams, water control structures and generation facilities.</p>

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Are there any additional potential funding streams the IESO should consider?	Click or tap here to enter text.

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Should any of the identified potential streams be recommended? Removed from consideration? If so, why?	<p>Indigenous Energy Projects are recommended. Northern development is inherently linked with opening new opportunities for Indigenous communities including electrification. An example of this is the Wataynikaneyap Transmission Project which was led by Indigenous communities. Projects such as this could help communities to electrify (where there is a desire), get off diesel and reduce Greenhouse Gas emissions as much as possible.</p> <p>Transmission Procurement support: Little Jackfish and the associated transmission project will be the main catalyst for the growth plan in Northern Ontario. This will be the beginning of other hydro and Northern Ontario mining opportunities. The viability of new hydro projects is largely dependent on the cost to connect to the province's transmission grid. FCEF can help with the economic hurdle and should maximize ITC to leverage its multiplier effect.</p>

General Comments/Feedback

- 1) The IESO presentation mentions "The FCEF is expected to be funded through: The sale of CECs by the IESO and OPG". How are revenues from CECs not owned by OPG or the IESO envisioned to be treated in the FCEF?
- 2) While not specifically requested, there could be some consideration of the supply chain, and Canadian / Ontario content and provincial economic impact to be eligible for this proposed funding.
- 3) The Community support stream is vague and can be expanded upon. Consider language around "Consultation and / or engagement with Indigenous and other communities to mitigate concerns from a proposed route or site of new clean energy infrastructure projects".
- 4) In the presentation material on Pg 12, the definition of clean does not include large and small hydro and hydrogen. These resources should be included as part of the definition.
- 5) Being a recipient of the FCEF should not preclude a clean generation project proponent from being able to generate future CECs. Project proponents should retain ownership rights to their CECs.